

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE: )  
 )  
ITT EDUCATIONAL SERVICES, INC., ) Case No. 16-07207-JMC-7A  
 )  
Debtor. )

**TRUSTEE’S MOTION FOR AUTHORITY TO ALLOW ACCESS TO  
THE AFFILIATED DEBTORS’ BOOKS, RECORDS AND OTHER DOCUMENTS**

Deborah J. Caruso, the chapter 7 trustee in this case (the “Trustee”), by counsel, requests entry of an order authorizing the Trustee to allow certain database imaging and service providers access to the Affiliated Debtors’ (defined hereafter) books, records and other documents on the following grounds:

**I. JURISDICTION**

1. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

**II. BACKGROUND**

3. On September 16, 2016 (the “Petition Date”), ITT Educational Services, Inc. (“ITT”) filed a voluntary petition for relief under chapter 7 of Title 11 of the United States Code.
4. ITT is one of three related entities. The related entities are ESI Service Corp. (“ESI”) and Daniel Webster College, Inc. (“Webster College,” and together with ITT and ESI, the “Affiliated Debtors”). Each of the Affiliated Debtors filed chapter 7 petitions on the Petition

Date, and the cases are pending in this district.<sup>1</sup> The Trustee was appointed as chapter 7 trustee in each of the Affiliated Debtors' bankruptcy cases on the Petition Date pursuant to section 701(a)(1) of the Bankruptcy Code.

5. On September 23, 2016, the Trustee filed a *Motion for Joint Administration of Chapter 7 Cases* [Doc 46], requesting joint administration, for procedural purposes only, of the Affiliated Debtors' bankruptcy cases. The deadline to object to the request for joint administration is September 30, 2016.

6. Prior to the Petition Date, the Affiliated Debtors as a whole were engaged in the for-profit enterprise of providing postsecondary degree programs in 137 campus locations in 39 states and through online services.

7. The Affiliated Debtors have certain academic and enrollment records, including but not limited to, transcripts, diplomas and education verifications (collectively, the "Student Records") that need to be digitalized, organized and managed in order to allow access to the Student Records by former students of the Affiliated Debtors, regulatory agencies and other parties in interest. As referenced at the status conference held on September 28, 2016, prior to the Petition Date, the Affiliated Debtors retained a third-party digital credential service, Parchment, Inc. ("Parchment"), to assist in the safeguarding, collecting, and digitizing academic transcripts for those students enrolled at any of the Affiliated Debtors' schools from 2001 to the Petition Date. The Trustee will continue to work with Parchment so that Parchment can make such records available as expeditiously as possible through its website—[www.Parchment.com](http://www.Parchment.com).

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<sup>1</sup> The case numbers for the Affiliated Debtors are as follows: ITT Educational Services, Inc., Case No. 16-07207-JMC-7A; ESI Service Corp., Case No. 16-07208-JMC-7A; and Daniel Webster College, Inc., Case No. 16-07209-JMC-7A.

8. Additionally, the Affiliated Debtors have a significant amount of other books, records and documents (collectively, the “Other Records,” and together with the Student Records, the “Records”) that the Trustee needs digitalized, organized and managed in order to aid in the administration of the Affiliated Debtors’ bankruptcy estates.

9. As a result, the Trustee must enter into agreements with certain database, imaging and information technology service providers (the “Providers”) to provide services in connection with imaging, copying, collecting, culling, organizing, managing and otherwise processing the Records and to host databases sufficient to allow the Trustee and parties in interest the ability to access the Records.

### **III. RELIEF REQUESTED**

10. The Trustee requests authority to allow the Providers access to the Records and for the Providers, at the direction of the Trustee, to image, copy, collect, cull, organize, manage and otherwise process the Records, and to host databases sufficient to allow the Trustee and parties in interest to access the Records.

11. The Trustee further requests that any such fees, costs and expenses incurred by the Providers for such services be treated as an administrative expense of the Affiliated Debtors’ bankruptcy estates, as provided by 11 U.S.C. § 503(b)(1)(A), and be paid by the Affiliated Debtors’ bankruptcy estates, subject to the availability of funds (as determined by the Trustee), without further order from the Court.

12. Furthermore, the Trustee requests authority to charge parties in interest reasonable access and search fees in connection with accessing any of the Records maintained on any databases developed by the Providers or otherwise maintained by the Trustee.

#### **IV. NOTICE**

13. The Trustee will serve a copy of this motion on the following: (a) the Office of the United States Trustee; (b) the Affiliated Debtors' counsel; and (c) those parties who have appeared pursuant to Bankruptcy Rule 9010 or who have requested notice pursuant to Bankruptcy Rule 2002.

**WHEREFORE**, the Trustee respectfully requests entry of an order authorizing the relief requested above and granting all other just and proper relief.

Respectfully submitted,

Proposed counsel to the Trustee  
RUBIN & LEVIN, P.C.

By: /s/ Meredith R. Theisen

Meredith R. Theisen

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 29, 2016, a copy of the foregoing *Trustee's Motion for Authority to Allow Access to the Affiliated Debtors' Books, Records and Other Documents* was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on September 29, 2016, a copy of the foregoing *Trustee's Motion for Authority to Allow Access to the Affiliated Debtors' Books, Records and Other Documents* was mailed by first-class U.S. Mail, postage prepaid, and properly address to the following:

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